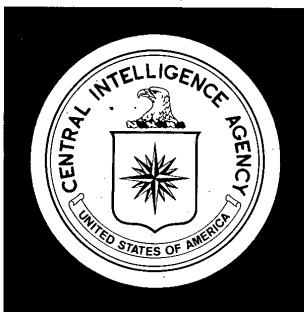


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The President's Daily Brief

March 6, 1974

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FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

March 6, 1974

PRINCIPAL DEVELOPMENTS

Saudi officials told the US Embassy in Jidda yesterday that Libyan President Qadhafi has refused to host a conference of Arab oil ministers. They will still meet on March 10, however, probably in Kuwait. (Page 1)

The communiqué following Soviet Foreign Minister Gromyko's visit to Egypt shows that not much progress was made toward ameliorating the USSR's problems with Egypt. (Page 2)

Prime Minister Golda Meir announced last night that Moshe Dayan will join her new cabinet, which she is to ask President Katzir to approve today. (Page 4)



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Ethiopian Emperor Haile Selassie yesterday announced major constitutional changes in an attempt to calm continuing civilian and military unrest. (Page 6)

The hijacking of a British Airways airliner early this week may have had Libyan backing. (Page 8)

Prime Minister Wilson is likely to pursue a moderate course over the next several months. (Page 9)

Unrest continued yesterday in the Argentine provincial capital of Cordoba. (Page 10)

The government in Guatemala is busy fixing the results of Sunday's election. (Page 11)

The foreign ministers of Pakistan, Bangladesh, and India will meet in early April, probably chiefly to discuss disposition of the 195 POWs held in India. (Page 12)

FOR THE PRESIDENT ONLY

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LIBYA

Saudi officials told the US Embassy in Jidda yesterday that Libyan President Qadhafi has refused to host a conference of Arab oil ministers. Qadhafi reportedly came out strongly against lifting the embargo on oil to the US and declared that, in any case, Tripoli is not the place to discuss this problem.

The Saudis insist, however, that the Arab oil ministers will still meet on March 10, without the Libyans, probably in Kuwait.

The US Embassy reports that Saudi officials hope their argument that the embargo is no longer in the Arab interest will prevail at that meeting. They expect, however, to encounter opposition, at least from Iraq.

FOR THE PRESIDENT ONLY

USSR-EGYPT

Soviet Foreign Minister Gromyko does not seem to have made much progress toward ameliorating the Soviet Union's problems with Egypt. The communiqué that followed his five-day visit referred unabashedly to "detailed debates." The reference suggests that Gromyko did not get any further with the Egyptians than Brezhnev did in January.

The Egyptians again paid lip service in the communiqué to the "importance and necessity" of Soviet participation in all stages of the Middle East peace negotiations, including the working committees at the moribund Geneva conference. Cairo did not make any new commitment to the Soviets on this score.

The Egyptian and Soviet foreign ministers traded rather pointed remarks in banquet speeches on the eve of Gromyko's departure. Fahmi characterized their talks as "frank" and referred twice to the five-year hiatus between Gromyko's visits to Cairo.

Gromyko, for his part, repeated a warning he had made a few days earlier in Damascus. He cautioned the Arabs to be wary of those who want to substitute "partial solutions" for a real settlement and who want to set the Arabs and their "allies" against one another. These implicitly anti-US statements were not echoed in the communiqué.

Gromyko seemed to imply that continued Soviet military and economic support was contingent on Cairo's doing its part to keep relations in repair.

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The Egyptians were worried that Gromyko was aiming at a continued Soviet economic and military role in Egypt at relatively low cost. The communiqué made no mention of bilateral economic or military matters. The Soviets did pledge to assist in opening the Suez Canal "in principle."

(continued)

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Gromyko also found an appropriate occasion to make plain Moscow's objections to Sadat's moves toward economic liberalization at home. Gromyko noted that Moscow hoped the state sector of the Egyptian economy would undergo further strengthening, "without which progressive socio-economic changes are impossible."

Gromyko apparently made no effort to soothe Sadat's irritation that Moscow has not responded to a long-standing invitation for a visit to Egypt by one of the top three Soviet leaders. Although there had been speculation before Gromyko's trip that a visit by Soviet President Podgorny would be announced, the communiqué merely noted that an invitation to Brezhnev had been "renewed."

While in Cairo, Gromyko met with Palestinian leader Yasir Arafat, and for the first time the Soviets publicly acknowledged a meeting between one of their top leaders and the fedayeen. The announcement represents a small step toward Soviet recognition of Arafat's Palestine Liberation Organization as spokesman for the Palestinians.

FOR THE PRESIDENT ONLY

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ISRAEL

Prime Minister Golda Meir announced last night that Moshe Dayan will join her new cabinet, which she is to ask President Katzir to approve today. The other hold-out, Shimon Peres, will go along with Dayan.

A Jerusalem radio correspondent subsequently reported that a meeting of the National Religious Party leadership this afternoon will reconsider the party's refusal to join the Alignment coalition.

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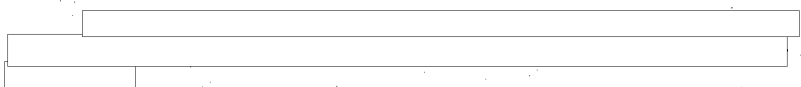
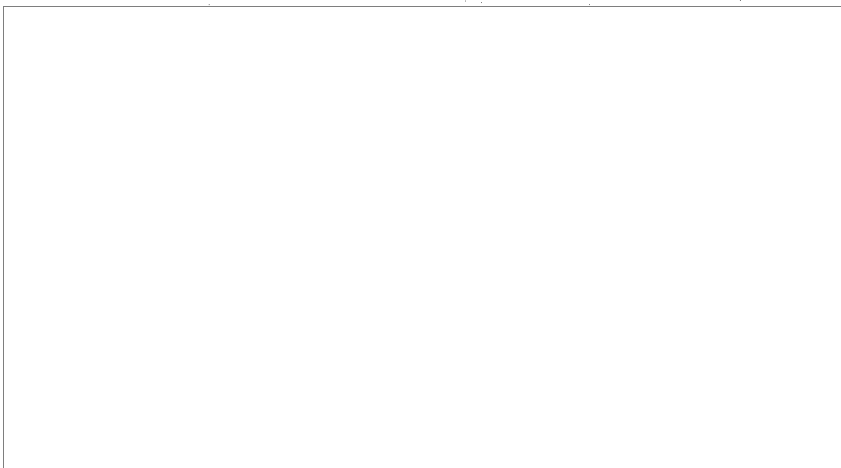
[REDACTED] Any developing security threat--such as possible Syrian military preparations--would provide a reason, or an excuse, for Dayan to close ranks.

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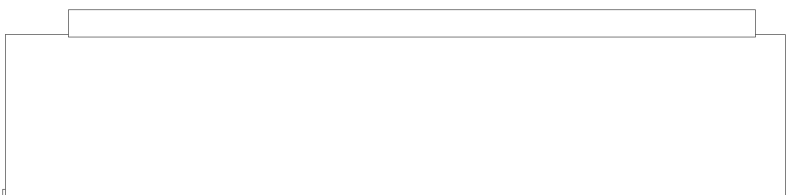
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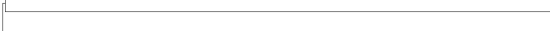
SYRIA



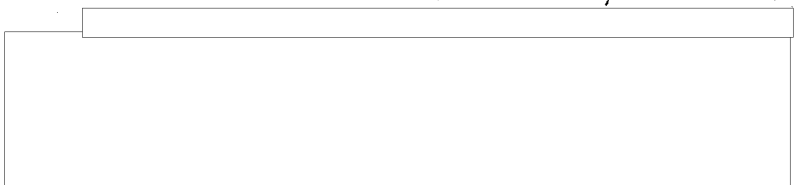
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ETHIOPIA

Ethiopian Emperor Haile Selassie yesterday announced major constitutional changes--including curbs on his own authority--in an attempt to calm continuing civilian and military unrest.

The Emperor, in a nationwide address, said he had directed Prime Minister Endalkatchew to call a constitutional conference. The new constitution would make the prime minister responsible to parliament, guarantee civil rights, streamline court procedures, and clarify relations among the branches of the government.

The Emperor's statement is a milestone in the transformation of Ethiopian politics. The promised arrangements would place Ethiopia on the way to becoming a constitutional monarchy. They are a significant concession to demands for political liberalization from groups outside the hierarchy, including some of the military.

Although the Emperor and his closest associates have recognized that political change is necessary, they hope to control its pace and general direction. The writing of a constitution will take time, and the new arrangements may be resisted by powerful nobles as a threat to their privileged position.

Dissident groups will become impatient if the process is too prolonged, and will be sensitive to any sign that the regime is not committed to a more democratic form of government.

The regime presumably believes it must make political concessions partly to offset its inability, because of limited financial resources, to meet the economic demands of workers and teachers. The pay increases granted dissident troops to end their revolt have seriously strained the budget and have encouraged civilians to demand economic improvement.

The Ethiopian labor confederation is planning to call a general strike Thursday to support a 16-point list of demands, including a sizable wage increase and greater protection for labor's right to strike and organize. Leaders evidently intend the strike to last for one or two days to demonstrate labor's strength; they do not appear to be trying to bring down the government. The strike could lengthen, however, if the demands are not met.

(continued)

FOR THE PRESIDENT ONLY

Teachers continue to ask for salary increases and new educational policies. Their association is divided. Militants will not agree to the moderates' call for an end to their two-week-old strike while the new government reviews their demands.

Students remain restless and may renew demonstrations against the government.

A majority of military dissidents still seem willing to give the new government a chance. Unrest, however, continues in some units. Enlisted men at the naval base in Massawa are holding some officers and demanding the removal of 13 unpopular ones. Enlisted men with unsatisfied grievances at Debre Zeit air base have reportedly refused to turn in their weapons. The continuing dissension in the air force may have played a role in the dismissal yesterday of air force commander Major General Aberra.

FOR THE PRESIDENT ONLY

FEDAYEEN-LIBYA

The hijacking of a British Airways airliner early this week apparently was the work of Marwan Haddad, a former member of the Popular Front for the Liberation of Palestine, who may have received Libyan backing for this operation. Marwan Haddad is a relative of the Popular Front's operations chief, Wadi Haddad.

According to a reliable contact of the US Embassy in Beirut, Marwan Haddad recently joined a Libyan-controlled terrorist group. He had earlier fled to Libya after hijacking a Lufthansa airliner to secure the release of fedayeen captured in the Munich kidnaping of Israeli Olympic athletes.

The Lufthansa hijacking was carried out by the "Organization of Arab Nationalist Youth for the Liberation of Palestine," which is the same name used by hijackers of the British aircraft this week.

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Should Libya's involvement in this incident be proved, it will further complicate President Qadhafi's effort to improve Libya's relations with Egypt. President Sadat recently indicated that Libyan-Egyptian reconciliation can go forward only if Qadhafi stops supporting Palestinian terrorists.

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UK

Prime Minister Wilson is likely to pursue a moderate course over the next several months and can count on both the Tories and Liberals not to bring down the government, except on a point of fundamental principle. Politicians and political observers, however, expect Wilson to call new elections, possibly by the end of the year.

Wilson yesterday named Michael Foot, a left-wing member of the party in whom the unions should have confidence, as the new Secretary of State for Employment. Foot's first move was to meet with the miners' chiefs to try to settle the strike, now in its fourth week. The president of the miners later announced that he hopes to resume talks with the National Coal Board today. Wilson himself met with industry and union leaders yesterday to discuss the economic situation.

Wilson's immediate aims are to end the strike, return to a five-day work week as soon as possible, and introduce a budget that will simultaneously combat inflation, reduce the balance-of-payments deficit, and still fulfill Labor's pledge to redistribute wealth. The budget is likely to call for a defense cut--a measure either party would have been forced to consider. Wilson probably will also press those measures that are almost certain to gain Liberal support, such as the repeal of the Industrial Relations Act.

Although the Liberals may be willing to tolerate some discussion of EC entry terms, they would not favor a hard approach to the other EC countries nor would they consider any talk of withdrawal. One moderate Labor cabinet official suggested just before the election that London might appeal to the Germans to support enlarging the regional fund and thereby to make membership more palatable to the British people. If Britain receives such benefits, this could reduce pressure for renegotiation at least until new elections.

FOR THE PRESIDENT ONLY

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ARGENTINA

Unrest continued yesterday in Argentina's provincial capital of Cordoba.

In Buenos Aires, the federal Senate approved, after considerable acrimonious debate, President Peron's request for authority to reorganize the executive branch of the provincial government. The bill will be considered today by the Chamber of Deputies, where it is likely to encounter much stiffer opposition.

The US Embassy reports that the deputies may not even vote on the bill for another week or so, and even then there is no assurance that it will win the required two-thirds majority. Further delay in federal intervention in the troubled province will increase the likelihood of widespread violence.

Meanwhile, the national government's clumsiness in the Cordoba affair is reportedly causing strain among moderate leftists within the Peronist movement. These are said to fear that the government's behavior will cause leftist Peronists to join forces with the movement's extremists who advocate armed revolution.

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GUATEMALA

The Arana government evidently intends to name the administration-backed presidential candidate, General Kjell Laugerud, winner of Sunday's election, despite additional signs that opposition candidate General Efraim Rios Montt actually won.

The government continued to play for time yesterday, delaying the release of voting returns until late in the day. It probably needed the extra time to engineer enough additional fraud to give Laugerud a plurality in the three-man race. This would throw the election into the government-controlled Congress, which would pick Laugerud.

Guatemala City remained without violence yesterday, despite rising tensions over the outcome of the election. Supporters of Rios Montt and Laugerud traded charges and countercharges of massive election fraud.

Rios Montt declared that "historical responsibility and military honor" required him to reject the government's attempts to cheat him of his victory, and he appealed for peaceful resistance.

Whether Arana will be able to make the Laugerud "victory" stick will depend heavily on the attitude of the army, which in turn will be influenced by the degree of popular discontent created by the government's transparent fraudulence. Although it would prefer to avoid becoming involved in a major conflict between pro- and anti-government elements, the army may be forced to act if violence breaks out.

FOR THE PRESIDENT ONLY

PAKISTAN-BANGLADESH-INDIA

The foreign ministers of Pakistan, Bangladesh, and India will meet on April 4 probably chiefly to discuss disposition of the 195 POWs held in India. The Pakistanis believe, on the basis of statements made by Prime Minister Mujib of Bangladesh at the Islamic summit last month, that the POWs will be released.

The Pakistanis have informed the Bengalees, however, that should the POW issue continue unresolved, Islamabad will ask Peking to use its veto again to bar Bangladesh's admittance to the United Nations. The Pakistanis presumably hope that Dacca's desire to enter the UN in time for the General Assembly's special session on raw materials and development, scheduled for April 9, will induce Bangladesh to settle the issue quickly.

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